

## Message Text

CONFIDENTIAL

PAGE 01 STATE 138409

61

ORIGIN ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 EB-03 L-01 INR-05

CIAE-00 SP-02 PRS-01 PM-03 DODE-00 /041 R

DRAFTED BY ARA/NC:FJDEVINE

APPROVED BY ARA - DR. FISHLOW

EB/ORF/FSE - MR. BUTCHER

L/ARA - MR. GANTZ

L - MR. SCHWEBEL

ARA/NC/V - MR. SONANDRES

----- 031240

R 131405Z JUN 75

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

C O N F I D E N T I A L STATE 138409

LIMDIS

E.O. 11652: GDS

TAGS: ENRG VE

SUBJECT: OIL COMPANY VIEWS OF REVERSION

1. IN JUNE 9 MEETING AT DEPARTMENT, GULF OIL REPRESENTATIVES EXPRESSED THEIR CONCERN OVER COMPENSATION AND OTHER PROVISIONS OF VENEZUELA'S PENDING LEGISLATION TO NATIONALIZE PETROLEUM INDUSTRY. THEY DEPICTED NET BOOK VALUE AS INADEQUATE STANDARD EVEN WITHOUT TAKING INTO ACCOUNT CONTEMPLATED DEDUCTIONS WHICH COULD GREATLY REDUCE OR EVEN ELIMINATE NET AMOUNT PAID.

2. COMPANY SPOKESMAN EVIDENCED FAMILIARITY WITH PROVISIONS OF PENDING LEGISLATION, DESCRIBED RECENT VISIT TO CARACAS FOR ON-SITE DISCUSSIONS, AND SAID MINISTER OF MINES HAD PROMPTLY REJECTED OFFER WHICH COMPANY SUBMITTED IN EFFORT ARRIVE AT SATISFACTORY LEVEL OF COMPENSATION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 138409

3. GULF UNDERSTANDS CREOLE ADOPTING DIFFERENT STANCE WHICH REFLECTS AND IS DICTATED BY ITS DISTINCT POSITION WITHIN VENEZUELA. IN ESSENCE, CREOLE SEEMS MORE INCLINED ACCEPT GOV OFFER AND WORK ON BASIS THEREOF. GULF, IN CONTRAST, IS NOT DISPOSED TO FOLLOW THIS COURSE OF ACTION

BECAUSE OF UNCERTAINTY OVER ITS FUTURE STATUS IN VENEZUELA, THE INADEQUACY OF COMPENSATION AND PRECEDENT WHICH WOULD BE SET VIS-A-VIS ITS OPERATIONS IN KUWAIT AND ELSEWHERE. COMPANY SPOKESMEN INQUIRED ABOUT USG READINESS TO ASSIST IF SHOWDOWN DEVELOPS, BUT DID NOT MAKE A REQUEST FOR DIPLOMATIC ASSISTANCE.

4. MEMO OF CONVERSATION BEING PREPARED AND WILL BE PROVIDED YOU. MEANWHILE, YOU MAY BE HEARING SOON ON THIS SUBJECT FROM GULF REPRESENTATIVES IN CARACAS. KISSINGER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, LAW  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 JUN 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE138409  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** FJDEVINE  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750207-0839  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750652/aaaabuui.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13 AUG 2003 by MartinML>; APPROVED <01 DEC 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OIL COMPANY VIEWS OF REVERSION  
**TAGS:** ENRG, VE, GULF OIL CO, CREOLE  
**To:** CARACAS  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006